

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 15, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye

Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

PRESENTER: **Department of Finance
Keith Bybee**

Mr. Bybee stated the Department of Finance was originally created by the State Legislature in 1905 and the Department of Finance is a regulatory agency. Funding for the operation of the department comes from a wide variety of fees. The department also manages two small funds, the Mortgage Recovery Fund and the Security Investment Fund. Mr. Bybee continued the Department of Finance requested one line item this year and it was recommended by the Governor.

Original Motion

Department of Finance

MOTION: Moved by **Rep. Anderson**, seconded by **Sen. Grow**, for the Department of Finance, beginning with the FY 2020 Base, an increase of \$15,500 for benefit costs, an increase of \$31,000 for replacement items, a decrease of \$2,400 for statewide cost allocation, and an increase of \$178,800 for change in employee compensation. Also included are the following line items: Line item 1 for \$384,000 for Moving Costs. Line item 2 for a net zero transfer of \$81,900 from personnel costs to operating expenditures for ongoing costs. Gov Tech 1 for \$6,100. Gov Tech 3 reducing 4.00 FTP and reducing \$179,000. The totals for this motion for FY 2020 are 63.00 FTP, and \$8,934,800 from dedicated funds.

DISCUSSION: **Rep. Anderson** stated this motion is a 3.3% increase over the FY 2019 appropriation. It reduces replacement items to include capital replacement items only. This motion also reduced line item 1 by \$57,000 and asks that costs for IT and voice data lines be paid with existing appropriation. It includes an additional line item to transfer \$81,900 from personnel costs to ongoing operating expenditures to pay for annual services like software subscriptions, firewall maintenance, reference materials, copier leases, Microsoft Enterprise Support, and a backup system. This motion also includes the Department's portion of the network equipment replacement for OITS and finally includes the Governor's initiative for technology modernization and consolidation. For the Department of Finance, the analysis by OITS inadvertently left two IT FTP in the budget. This motion reduces all four IT FTP at the Department of Finance and reduces

personnel costs \$347,200 while increasing operating expenditures \$168,200 for a net reduction of \$179,000.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

SECTION 3. CONTINUOUS APPROPRIATION AUTHORITY. The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom an Idaho court awards actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender, or mortgage loan originator who was licensed or required to be licensed according to Section 26-31-109, Idaho Code.

To listen to this presentation please [click here](#).

PRESENTER:

Department of Insurance

Keith Bybee

Mr. Bybee stated the Department of Insurance has two budgeted departments, the Insurance Regulation Division and the State Fire Marshall's Office. The Department of Insurance receives funding from the US Department of Health and Human Services, collects insurance premium taxes.

Original Motion

Department of Insurance

MOTION:

Moved by **Sen. Grow**, seconded by **Rep. Anderson**, for the Department of Insurance, beginning with the FY 2020 Base, an increase of \$12,700 for benefit costs, an increase of \$192,500 for replacement items, a decrease of \$11,300 for statewide cost allocation, and an increase of \$154,200 for change in employee compensation. Also included are the following line items: \$7,100 for the Department's share of Network Equipment Replacement. A reduction of 5.00 FTP and \$252,300 for Technology Modernization. The totals for this motion for FY 2020 are 71.5 FTP, \$9,091,800 from dedicated funds, and \$685,200 from federal funds for a grand total of \$9,777,000.

DISCUSSION: **Sen. Grow** stated this motion is a 4.2% decrease from the FY 2019 original appropriation. It includes a reduction of \$431,900 in personnel costs, and 5.00 FTP and an increase of \$179,600 in operating expenditures for a net reduction of \$252,300. It also includes the Department's share of the cost to replace the state's core network equipment. Also included in this motion is replacement items as requested which includes \$40,500 for computers; \$3,600 for edge boxes at field offices; \$101,600 for two light trucks; \$27,300 for printers and equipment; \$4,800 for task chairs; and \$14,700 for server half-blades.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

PRESENTER: **Department of Insurance**
Keith Bybee

Original Motion

Department of Tax Appeals

MOVED: Moved by **Sen. Grow**, seconded by **Rep. Anderson**, for the Board of Tax Appeals, beginning with the FY 2020 Base, an increase of \$1,300 for benefit costs, a transfer of \$1,400 from personnel costs to operating expenditures for inflationary adjustments, an increase of \$300 for statewide cost allocation, an increase of \$3,300 for an annualization, and an increase of \$12,300 for change in employee compensation. Also included are the following line items: \$1,100 for Office 365 Licenses and \$3,100 for Technology Modernization. The totals for this motion for FY 2020 are 5.00 FTP, and \$635,600 from the General Fund.

DISCUSSION: **Sen. Grow** stated this motion is a 4.3% increase over the FY 2019 original appropriation. It transfers \$1,400 from personnel costs to operating expenditures to cover the cost of inflationary adjustments and realigns the budget to more closely match expenditures. The motion asks that if computers need replaced, that the Board use existing resources to cover those costs. It provides \$1,100 for the ongoing cost of Office 365 licenses. Finally, this motion includes \$3,100 for additional billing for the Governor's technology modernization initiative. The Network Equipment Replacement and Mobile Device Security will be covered in the appropriation to the Office of Information Technology Services.

CARRIED: **Ayes: 18**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Burtenshaw and Woodward

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

PRESENTER: **Department of Public Health Districts**
Jared Tatro, Principal Budget & Policy Analyst

Original Motion

Department of Public Health Districts

MOTION: Moved by **Rep. Troy**, seconded by **Rep. Amador**, for the Public Health Districts, beginning with the FY 2020 Base, an increase of \$17,200 for benefit costs, the addition of \$10,200 for inflationary adjustments, an increase of \$22,500 for statewide cost allocation, and an increase of \$211,400 for the change in employee compensation. Then add a line item for \$104,500 from the General Fund for Citizen Review Panels. The totals for this motion for FY 2020 are \$9,768,500 from the General Fund, and \$768,900 from dedicated funds for a grand total of \$10,537,400.

DISCUSSION: **Rep. Troy** stated this motion reflects the agency's request with adjustments for personnel costs as recommended by the Legislative CEC Committee and adopted by JFAC. The state's share for GOV TECH 1 can be found in the budget for the Office of Information Technology Services. Also included is an additional \$104,500 from the General Fund for Citizen Review Panels. Last session money was added for the panels as a starting point until the panels became operational. This addition is to make that process whole and allow the panels to be fully functional.

MOTION: Substitute Motion

Moved by **Sen. Lee**, seconded by **Rep. Wintrow**, for the Public Health Districts, beginning with the FY 2020 Base, an increase of \$17,200 for benefit costs, the addition of \$10,200 for inflationary adjustments, an increase of \$22,500 for statewide cost allocation, and an increase of \$211,400 for the change in employee compensation. Also included is line item 1 for \$119,400 for Improved Health Transformation. Then add a line item for \$104,500 from the General Fund for citizen review panels. The totals for this motion for FY 2020 are \$9,768,500 from the General Fund, and \$768,900 from dedicated funds for a grand total of \$10,537,400.

DISCUSSION: **Sen. Lee** stated the only difference in the two motions, is the Improved Health Transformation line item.

CARRIED: Substitute Motion

Ayes: 10

Bair, Lee, Agenbroad, Grow, Ward-Engelking, Nye, Youngblood, Syme, Wintrow, Toone

Nays: 8

Johnson, Crabtree, Horman, Anderson, Kauffman, Troy, Amador, Raybould

Ab/Ex: 2

Burtenshaw and Woodward

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Lee**, granted by unanimous consent, to accept the funding formula language as follows.

1) MILLENNIUM FUND FUNDING. Of the amount appropriated in Section 1 of this act, \$119,400 shall be distributed to Public Health District 4 for the purpose of improving health transformations. These moneys shall not be considered general state aid for the purpose of **Section 39-425, Idaho Code**, and shall not be allocated through a board of trustees formula pursuant to **Section 39-411, Idaho Code**. 2) There is hereby appropriated to the Public Health Districts \$768,900 from the Idaho Millennium Income Fund for the period July 1, 2019, through June 30, 2020, for the purpose of no-cost cessation services to Idahoans who want to quit tobacco use, with a primary emphasis on youth and pregnant women. These moneys shall not be considered general state aid for the purpose of **Section 39-425, Idaho Code**. 3) CITIZEN REVIEW PANELS. Of the amount appropriated in Section 1 of this act, \$136,500 shall be distributed to each Public Health District at one-seventh (1/7) of the total amount, which shall be used for the Citizen Review Panels pursuant to Senate Bill No. 1341, as enacted by the Second Regular Session of the Sixty-fourth Idaho Legislature. These moneys received by the Public Health Districts shall not be considered general state aid pursuant to **Section 39-425, Idaho Code**, nor shall the moneys be allocated through a board of trustees formula pursuant to **Section 39-411, Idaho Code**.

PRESENTER:

**Division of Veterans Services
Jared Tatro, Principal Budget & Analysis**

Mr. Tatro gave a brief overview of the Division of Veterans Services stating they provide support services for veterans within the State of Idaho. This is done through three homes, located in Lewiston, Pocatello and Boise. The agency request was for \$78,746,100 and \$1,164,300 was from the General Fund, they also receive approximately 3% from endowment dollars. There was six line item requests and the Governor supported all six line items and the two initiatives related to technology.

Original Motion
Division of Veterans Services

MOTION:

Moved by **Rep. Syme**, seconded by **Rep. Kauffman**, for the Division of Veterans Services, beginning with the FY 2020 Base, an increase of \$76,000 for benefit costs, an increase of \$98,800 for statewide cost allocation, and an increase of \$556,600 for the change in employee compensation. Also included are the following line items: line item 1 that adds \$871,100 for staff market equity; line item 2 that adds 3.00 FTP and \$551,900 for additional staffing positions; line item 3 that adds \$103,300 for new capital outlay items; line item 4 that adds \$200,000 for Medicaid related expenditures and intergovernmental transfers; line item 5 that adds \$100,000 for the Veterans Recognition Fund awards; and line item 6 that adds \$42,223,400 to construct a fourth veterans home in Post Falls. Then add \$27,900 for the network equipment replacement as recommended in GOV TECH 1. Then reduce 5.00 FTP and add a net increase of \$279,300 for the GOV TECH Initiative 3 to consolidate the state's IT positions and provide for recommended billings. The totals for this motion for FY 2020 are 344.00 FTP, \$1,224,200 from the General Fund, \$30,705,400 from dedicated funds, and \$46,662,500 from federal funds for a grand total of \$78,592,100.

DISCUSSION: **Rep. Syme** stated this motion includes personnel cost adjustments adopted by JFAC, and both of the Governor's technology initiatives, but without the state share in GOV TECH 1 as that money should be directly appropriated in the Office of Information Technology Services budget. This motion includes all agency requested line items.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

UNANIMOUS CONSENT: On request by **Rep. Kauffman**, granted by unanimous consent, to accept the Cash Transfer Language as follows.

Division of Veterans Services - Cash Transfer Language — Notwithstanding the provisions of **Section 65-703(2), Idaho Code**, or any other provision of law to the contrary, there is hereby appropriated and the administrator of the Division of Veterans Services shall request the State Controller to make a transfer or transfers from the Idaho Veterans Recognition Fund to the Idaho Veterans Recognition Income Fund in an amount not to exceed a total of \$14,258,200 for the purpose of providing the state's required match for the establishment of a fourth veterans home in north Idaho for the period July 1, 2019, through June 30, 2020. Further, notwithstanding the provisions of **Section 65-704(5), Idaho Code**, or any other provision of law to the contrary, any funds remaining in the Veterans Recognition Income Fund at the end of fiscal year 2020 shall remain in the Veterans Recognition Income Fund and shall not be transferred back to the Idaho Veterans Recognition Fund.

UNANIMOUS CONSENT: On request by **Rep. Kauffman**, granted by unanimous consent, to accept the Reappropriation Authority as follows.

Division of Veterans Services - Carryover Language REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated to the Division of Veterans Services from the Federal Grant Fund for a second veterans cemetery for fiscal year 2019, in an amount not to exceed \$7,496,100, to be used for nonrecurring expenditures related to the addition of a second veterans cemetery in southeastern Idaho for the period July 1, 2019, through June 30, 2020.

PRESENTER: **Office of Drug Policy**
Jared Tatro, Principal Budget & Analysis

Mr. Tatro gave a brief overview of the Office of Drug Policy was created during the 2007 Legislative session. The agencies requests includes standard adjustments, state wide cost allocations, a request for \$97,800 Federal funds, ongoing for the Partnership Success Grant.

CARRIED:

Original Motion
Office of Drug Policy

Moved by **Rep. Troy**, seconded by **Sen. Crabtree**, moved for the Office of Drug Policy, beginning with the FY 2020 Base, an increase of \$2,000 for benefit costs, an increase of \$4,600 for statewide cost allocation, and an increase of \$13,500 for the change in employee compensation. Also included is line item 1 that adds \$97,800 for the Partnership for Success Grant. Then add \$2,800 for Mobile Device Security in GOV TECH 2 and add \$3,000 for GOV TECH 4 to modernize IT Billings. The totals for this motion for FY 2020 are 6.00 FTP, \$334,600 from the General Fund, \$24,500 from dedicated funds, and \$4,453,200 from federal funds for a grand total of \$4,812,300.

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

PRESENTER:

Department of Health & Welfare
Jared Tatro, Principal Budget & Analysis

Original Motion
Department of Health & Welfare
Medicaid Administration & Medical Management
Supplemental

**UNANIMOUS
CONSENT:**

On request by **Sen. Lee**, granted by unanimous consent, to reopen FY 2019 budget for the department of Health and Welfare, was reopened.

MOTION:

Moved by **Sen. Lee**, seconded by **Sen. Agenbroad**, to the Department of Health and Welfare for the Medicaid Administration and Medical Management Program the addition of \$580,400 from the Cooperative Welfare (General) Fund, and the addition of \$1,741,200 from the Cooperative Welfare (Federal) Fund, for a total of \$2,321,600 in ongoing operating expenditures for fiscal year 2019.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

Original Motion
Department of Health & Welfare
Trustee & Benefit Payments Adjustments
Supplemental

MOTION: Moved by **Rep. Wintrow**, seconded by **Sen. Agenbroad**, to the Department of Health and Welfare for the Enhanced Medicaid Plan Program the addition of \$42,481,800 from the Cooperative Welfare (General) Fund; the addition of \$4,055,200 from the Idaho Millennium Income Fund; the addition of \$61,439,000 from the Cooperative Welfare (Federal) Fund; and the reduction of \$56,766,000 from the Cooperative Welfare (Dedicated) Fund. All adjustments are in trustee and benefit payments, with \$22,762,600 in onetime appropriation with \$11,075,500 from the Cooperative Welfare (General) Fund, \$4,055,200 from the Idaho Millennium Income Fund, and \$7,631,900 from the Cooperative Welfare (Federal) Fund, and the remaining \$28,447,400 is for ongoing appropriations, for a total net amount of \$51,210,000 for fiscal year 2019.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0
Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:00 am.

Representative Youngblood
Chair

Donna Warnock
Secretary